

Delaware Sustainable Energy Utility
Meeting of the Oversight Board
DNREC – 89 Kings Hwy., Dover, DE 19901
May 15, 2014 – 9:30 A.M.

Welcome

Board Chair Senator Harris McDowell called the meeting to order at 9:30 AM. Present were Pam Bakerian, Kristopher Knight, Joseph Schorah (teleconference), Charles Wagner (teleconference), Secretary Collin O'Mara, Ismat Shah (teleconference), Sean Finnigan (teleconference), and David Bonar. Also present were Tony DePrima, SEU Executive Director, Frank Murphy (teleconference), Robert Underwood, and Lisa Gardner.

1. Approval of Minutes – March 20, 2014 – Oversight Board – A motion was made, seconded, and unanimously carried to approve the minutes of March 20, 2014.

Item 3.a. Presentation – Sarah Buttner – ACEEE Scorecard & SEU Programs was deleted from the agenda.

2. SEU Business

a. Strategic Plan – Draft SWOT Analysis – Georgeanna Windley – This item was removed from the agenda and will be placed on July's agenda.

b. Energy Engineering, Measurement, Verification, and Evaluation Services RFP – Results and Recommendation – An RFP for Energy Engineering Services and for Measurement, Verification & Engineering (MV&E) Services was issued. As provided in our procurement policy, the goal was to have a number of qualified firms under contract in a “vendor pool”. As needs develop, we would approach one or more firms for quotes on specific projects or tasks. We had eleven (11) companies respond to the RFP. These eleven companies fell into four categories: 1) Delaware engineering firms with energy, HVAC, and electric engineering experience; 2) National energy engineering firms with specialized expertise and experience with large projects and programs; 3) MV&E firms that specialize in economic and policy evaluations; and 4) MV&E firms that specialize in the engineering aspects of MV&E. Mr. DePrima noted that several of the listed companies fall into more than one area.

Mr. DePrima recommended that the following companies be placed under the SEU's standard contract for three (3) years with two (2) year optional extensions: DEDC, Diamond State Engineering, Studio Jaed, C.J. Brown Energy, Celtic Engineering, Evergreen Economics, Gable Associated, Cadmus, Energy Resource Solutions, and Warren Energy Engineering.

After much discussion, a motion was made, seconded, and unanimously carried to authorize Mr. DePrima to enter into said contracts.

c. 2012 Audit – Whisman Giordano and Associates, LLC – Acceptance – Mr. Knight indicated that after reviewing the 2012 Audit, he suggested minor amendments regarding increasing disclosure details. Mr. Knight recommended that that the 2012 Audit be accepted. A motion was made, seconded, and unanimously carried to accept the 2012 Audit.

d. Engagement Letter – Short Year Audit – Whisman Giordano and Associates, LLC – Mr. DePrima stated that due to the change in the SEU's fiscal year a short year financial statement and audit needs to be conducted. A motion was made, seconded, and unanimously carried to authorize the Executive Director to execute the Engagement Letter.

e. Consideration of Statements – A motion was made by Mr. Bonar to process the following statements, seconded by Dr. Wagner and unanimously carried.

- i. F. Murphy Legal Services – February 2014 in the amount of \$2,348.46 and March 2014 in the amount of \$1,615.10.
- ii. NW Financial Group, LLC – February 2014 in the amount of \$2,306.25.
- iii. Young Conaway Stargatt & Taylor, LLP – 1105 N. Market Street Loan Closing - \$6,600.

f. Proposed Policy – Customer Confidentiality Policy - Review and Approval – Mr. DePrima explained that the Customer Confidentiality Policy is in addition to several best practice policies recently brought to the board for review and approval. The Delaware Association for Non-Profit Agencies recommends this policy to simply acknowledge that staff, contractors working for the SEU, and board members will handle customer information appropriately. Board members will be asked to sign this policy on a yearly basis along with the Conflict of Interest Disclosure Statement. A motion was made, seconded, and unanimously carried to adopt the Customer Confidentiality Policy.

g. Proposed Budget – Mr. DePrima reviewed the Proposed 2014/2015 Budget. Line items discussed were the SREC Program, contractual hires, and company vehicle, investment bank service charges, and programs.

Ms. Bakerian expressed an interest in conducting, through D.A.N.A. a comparative salary for non-profits for the staff. Mr. DePrima suggested that the Governance Committee take the lead on this item.

Senator McDowell requested that on line item 7210 Salaries; the word “directors” be deleted from the title.

A motion was made, seconded, and unanimously carried to adopt the Proposed Budget as presented.

h. Direct Lending Policy – Amendment for Clean Vehicles and Greenhouse Emission Reduction Measures- Mr. DePrima explained that the SEU legislation envisioned the SEU being involved in Clean Vehicle programs; additionally RGGI funding’s purpose is to reduce greenhouse gas emissions. However, the Direct Lending Policy is silent on both issues. Members were provided the policy including the amendments which will allow lending for both types of projects. A motion was made, seconded, and unanimously carried to adopt the amended policy as presented.

3. Presentation

b. Robin Dutta – Skyline Innovations – Solar Therm – Mr. Dutta explained that Skyline Innovations is a solar thermal company that provides PTA’s for solar water heating systems. Mr. Dutta reviewed a PowerPoint presentation of creating a market for commercial/industrial size solar thermal heating systems in Delaware. Solar thermal heating systems heat hot water either directly or indirectly using solar panels. A motion was made, seconded, and unanimously carried to have the Executive Director to develop a pilot program, with a focus on agriculture that is \$1M or less to forward to the Energy Programs Committee.

4. Reports - Executive Director’s Reports – Mr. DePrima reviewed the following reports:

- i. Budget Report – As of April 30, 2014**
- iii. Activity Report – March/April 2014**

Mr. DePrima thanked Sally Buttner, White Optics, and CMI Solar for coordinating, donating and installing LED lights in the SEU office. The SEU is demonstration project for LED lighting. It is projected that the office will have a 68% of the electric bill for lighting. Ms. Buttner explained that White Optics is Delaware manufacture of a high technology reflecting material used in advance energy efficient lighting.

5. New Business/Old Business – Senator McDowell suggested that the board request Dr. John Byrne, on behalf of the SEU, approach the ACEEE to discuss their measurement structure and how to possibly include the bond monies in their calculation. Mr. Underwood requested to be included in the correspondence.

6. Public Comment

The Board received public comments by various members of the public.

7. Adjourn

A motion to adjourn was passed unanimously at 11:35 AM.